

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 8-K

**CURRENT REPORT
Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): December 21, 2021

Privia Health Group, Inc.
(Exact Name of Registrant as Specified in Its Charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

001-40365
(Commission
File No.)

81-3599420
(I.R.S. Employer
Identification No.)

**950 N. Glebe Rd.,
Suite 700
Arlington, Virginia**
(Address of Principal Executive Offices)

22203
(Zip Code)

(571) 366-8850
Registrant's telephone number, including area code

Not Applicable
(Former name, former address and former fiscal year, if changed since last report)

Check the appropriate box below if the form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2 (b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, \$0.01 par value per share	PRVA	The Nasdaq Global Select Market

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 7.01 Regulation FD Disclosure.

We are furnishing this Current Report on Form 8-K to furnish materials that will be provided at meetings with institutional investors or analysts. The materials are attached as Exhibit 99.1 to this Current Report on Form 8-K, are incorporated into this Item 7.01 by reference and are available on our investor relations website at ir.priviahealth.com. This information may be amended or updated at any time and from time to time through another Current Report on Form 8-K, a later company filing, or other means.

The information in this Current Report on Form 8-K (including the exhibit) is furnished pursuant to Item 7.01 and shall not be deemed to be “filed” for the purpose of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that section. This Current Report on Form 8-K will not be deemed an admission as to the materiality of any information in the Report that is required to be disclosed solely by Regulation FD.

We do not have, and expressly disclaim, any obligation to release publicly any updates or any changes in our expectations or any change in events, conditions, or circumstances on which any forward-looking statement is based.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibit:

Exhibit No.	Description
99.1	Privia Health Group, Inc. Investor Presentation Slides - December 2021
Exhibit 104	Cover Page Interactive Data File (embedded within the Inline XBRL document).

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

PRIVIA HEALTH GROUP, INC.

Date: December 21, 2021

By: /s/ Thomas Bartrum

Name: Thomas Bartrum

Title: Executive Vice president and General Counsel



Empowering Physicians **TRANSFORMING HEALTHCARE**

Piper Sandler Value-Based Care Webinar
December 21, 2021



Disclaimer

Forward-Looking Statements

This presentation contains forward-looking statements that express the Company's opinions, expectations, beliefs, plans, objectives, assumptions or projections regarding future events or future results. These forward-looking statements involve a number of risks, uncertainties (some of which are beyond the Company's control) or other assumptions that may cause actual results or performance to be materially different from those expressed or implied by these forward-looking statements. These risks and uncertainties include, but are not limited to, those factors described in filings with the Securities and Exchange Commission ("SEC"), including those under "Risk Factors" therein. Should one or more of these risks or uncertainties materialize, or should any of the assumptions prove incorrect, actual results may vary in material respects from those projected in these forward-looking statements. Forward-looking statements speak only as of the date made. The Company does not undertake any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required under applicable securities laws.

Use of Non-GAAP Financial Information

In order to provide investors with greater insight, promote transparency and allow for a more comprehensive understanding of the information used by management in its financial and operational decision-making, the Company supplements its condensed consolidated financial statements presented on a GAAP basis herein with certain non-GAAP financial information, including: Care Margin; Platform Contribution; Platform Contribution margin; Adjusted EBITDA; and Adjusted EBITDA margin. Reconciliations of these non-GAAP measures to their most directly comparable GAAP measures are included in the financial schedules in the Appendix of this presentation, as well as in the Company's quarterly financial press releases and related Form 8-K filings with the SEC. This information can be accessed for free by visiting www.priviahealth.com or www.sec.gov.

Management has not reconciled forward-looking non-GAAP measures to its most directly comparable GAAP measure of Operating Income and Net Income. This is because the Company cannot predict with reasonable certainty and without unreasonable efforts the ultimate outcome of Care Margin, Platform Contribution, Adjusted EBITDA or Adjusted Net Income, Adjusted Net Income Per Share due to market-related assumptions that are not within our control as well as certain legal or advisory costs, tax costs or other costs that may arise. For these reasons, management is unable to assess the probable significance of the unavailable information, which could materially impact the amount of the future directly comparable GAAP measures.

What is Privia Health?

Privia Health is building the **leading next generation physician organization and care delivery network**

Our revolutionary business model is comprised of **three interdependent elements**:

- ✓ Single TIN Medical Group
- ✓ Risk-Bearing Entity
- ✓ Tech-Enabled Clinical and Performance Operations Platform

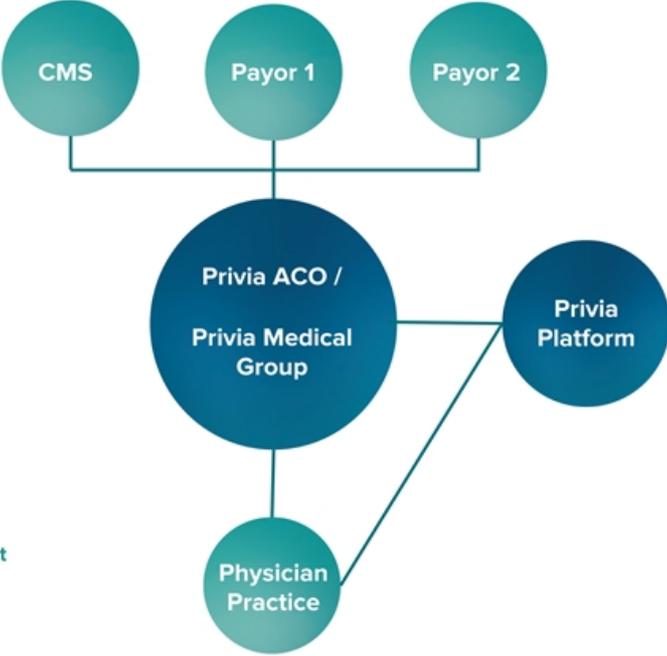
We partner with **all provider types**, regardless of affiliation or ownership, in **all reimbursement models** across **all geographies**

Our value-based care platform has **proven success across the risk-bearing spectrum** as we accelerate the movement of providers into risk-based arrangements

Privia Health's Value-Based Care Structure

Value Based Contracts

Commercial, MSSP, MA,
Medicaid
(PMPM / Shared Savings)



Risk Bearing Entity
Physician Governance

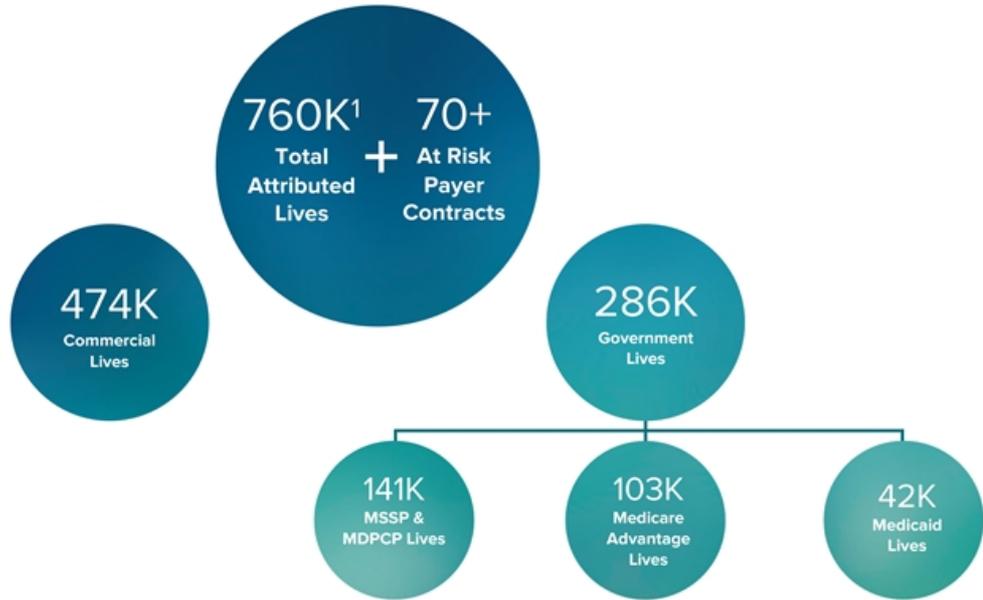
Professional Services Agreement
(Shared Savings Split)

Technology Solution
Payor Contracting /
Healthcare Economics
Clinical Operations & Programs

Ability to Influence Outcomes Without Ownership of Underlying Practice

- ✓ Single medical group by market
- ✓ Single contracting entity & common risk pools
- ✓ Physician-led governance
- ✓ Integrated technology and clinical operations
- ✓ Financial alignment with physicians (no risk backstop)
- ✓ Preserves physician autonomy

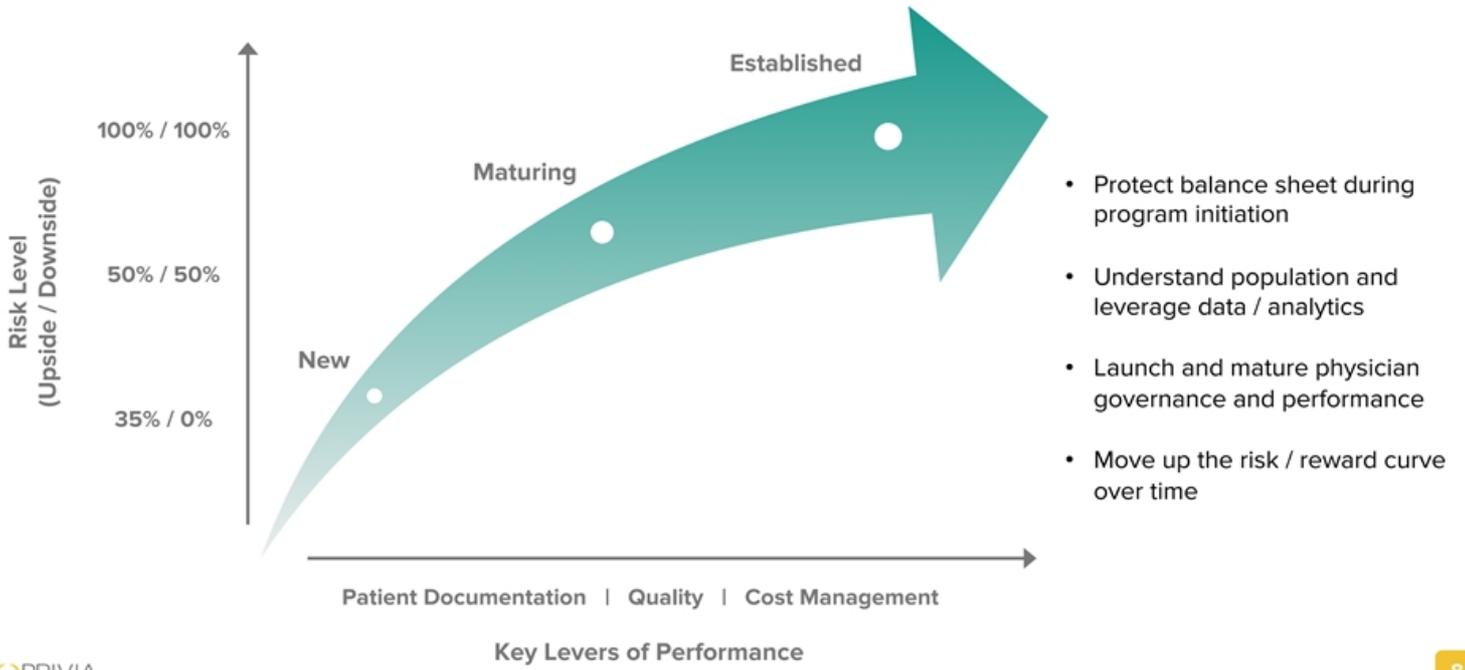
High-Performing Value-Based Platform Across Reimbursement Models



Overview of Value-Based Care Arrangements

	Commercial and Medicaid	Medicare Advantage	MSSP
Overview	<ul style="list-style-type: none"> • Employer Sponsored • Individual Exchange • Medicaid • Episode Bundles 	<ul style="list-style-type: none"> • Retail Medicare Advantage HMO & PPO • Group Medicare 	<ul style="list-style-type: none"> • Traditional Medicare FFS / Med Supplement • Pathways to Risk • Direct Contracting & Geographic options
Architecture	<ul style="list-style-type: none"> • Attribution • Cost Target • Quality Targets • Bundles 	<ul style="list-style-type: none"> • Attribution • Cost Target • Quality Targets • Administrative Functions 	<ul style="list-style-type: none"> • Attribution • Cost Target • Quality Targets
Economics	<ul style="list-style-type: none"> • Care Coordination Fee PMPM • PCP Direct Payments • Upside only shared savings • Increased upside sharing w/ downside risk 	<ul style="list-style-type: none"> • Care Coordination Fee PMPM • PCP Direct Payments (FFS, Capitation, Quality payments) • Upside only shared savings • Increased upside sharing w/ downside risk • Full risk based on % of CMS premium 	<ul style="list-style-type: none"> • PCP Direct Payments • Upside only shared savings • Increased upside sharing w/ downside risk • Enhanced Track (75% upside with total cost of care downside risk)

Underwrite-Pair Economic Risk with VBC Program Maturity



Illustrative Economics Of VBC Arrangements

All data are presented for illustrative purposes only and do not reflect actual economics in any payor contract or any historical or projected financial results of Privia Health. Calculations reflect typical industry economics in value-based care programs based on management's understanding of the industry. Actual terms and parameters can vary materially by contract, geography and payor program.

		Commercial	MSSP: Enhanced Track
Patient Attribution	A	1,000	1,000
Target		Historical PMPY \$4,800 Medical Trend 6% Risk Adjustment 1.02	Risk Adj. Historic Cost \$9,709 Efficiency Adjustment 3%
Illustrative Performance PMPY	B	\$5,190	\$10,000
Savings PMPY	C	\$5,086	\$9,050
	B - C = D	\$104	\$950
Quality	E	95%	Meet
Upside Share	F	50%	75%
Privia Shared Savings PMPY	D * E * F = G	\$49	\$713
Care Coordination Fee PMPY	H	\$30	N / A
Total PMPY	G + H = I	\$79	N / A
Practice Collections / GAAP Revenue	A * I	\$79,303	\$712,500
Shared Savings	A * G	\$49,303	\$712,500

Illustrative Economics Of VBC Arrangements

All data are presented for illustrative purposes only and do not reflect actual economics in any payor contract or any historical or projected financial results of Privia Health. Calculations reflect typical industry economics in value-based care programs based on management's understanding of the industry. Actual terms and parameters can vary materially by contract, geography and payor program.

		Medicare Advantage Upside Only		Medicare Advantage Capitation with 100% Economic Share	
Patient Attribution	A	1,000		1,000	
Target		CMS Payer Premium % of Premium Target	\$12,000 86%	CMS Payer Premium % of Premium Target	\$12,000 86%
Illustrative Performance PMPY	B	\$10,320		\$10,320	
Savings PMPY	C	\$9,000		\$9,000	
Privia / Payer Split	B - C = D	\$1,320		\$1,320	
Privia Shared Savings PMPY	E	50%		100%	
Care Coordination Fee PMPY	D * E = F	\$660		\$1,320	
Practice Collections PMPY	G	\$300		\$300	
Practice Collections / GAAP Revenue	F + G = H	\$960		B = H	\$10,320
Shared Savings	A * H	\$960,000		\$10,320,000	
	A * F	\$660,000		\$1,320,000	

Managing \$1.1 Billion in Medical Spend in MSSP

Only Privia's Share of Savings is Recognized in Revenue Today

2020 MSSP Results	All Privia MSSP ACOs	
2020 MSSP Lives	121,292	
Per Capita Benchmark (PMPY)	\$9,359	
Benchmark Spend (\$mm)	\$1,135	Illustrative practice collections / GAAP revenue under conversion of MSSP lives to capitated arrangement
Savings Rate	7.7%	
Gross Shared Savings (\$mm)	\$87	
Privia ACO Share (\$mm)	\$56	Currently recognized in practice collections and GAAP revenue

Current revenue recognition understates Privia Health's VBC scale, performance and capability



APPENDIX

Privia Health: Investment Highlights



**Proven and Scalable for All
Provider Types, Patients &
Reimbursement Models**



**Multiple Drivers for
Future Growth with
a Large TAM**



**Comprehensive
Technology Solution Built
for Providers**



**Profitable,
Capital-Efficient Profile**

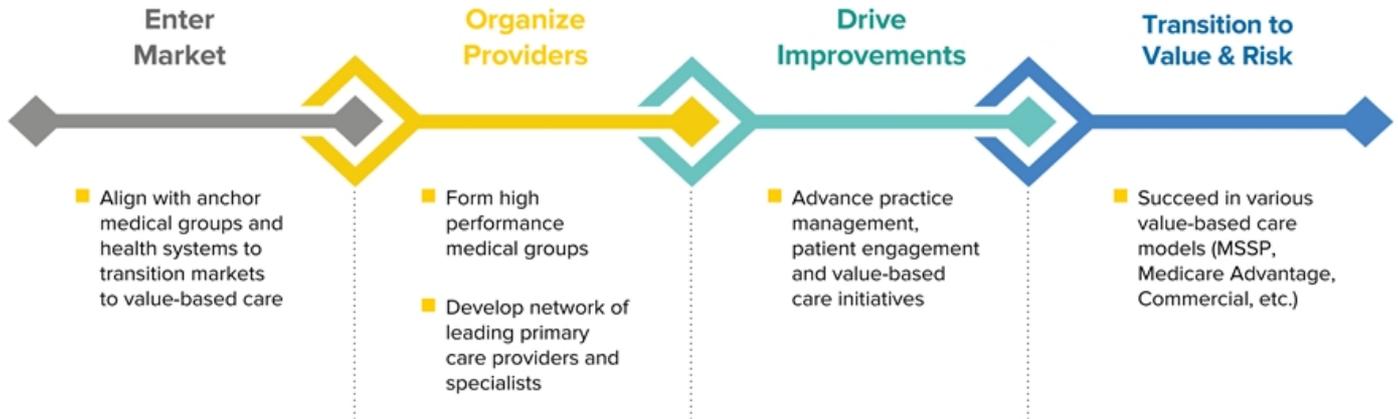


**Aligned with Provider
Financial Success while
Preserving Ownership
Structure**



**Highly Experienced
Executive and Physician
Leadership Team**

Moving Markets Toward Value-Based Care At Scale

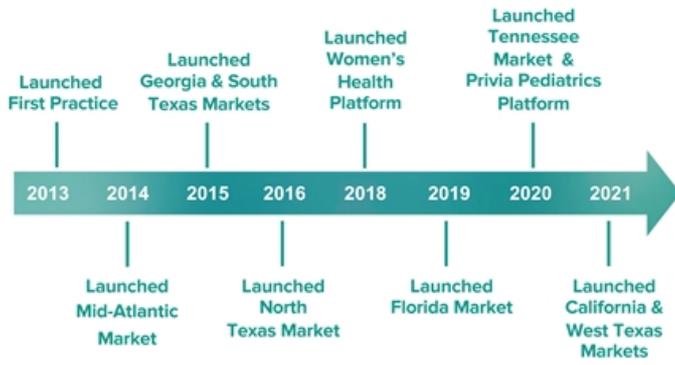


Physician Enablement Landscape



Building a National Footprint

Privia Timeline



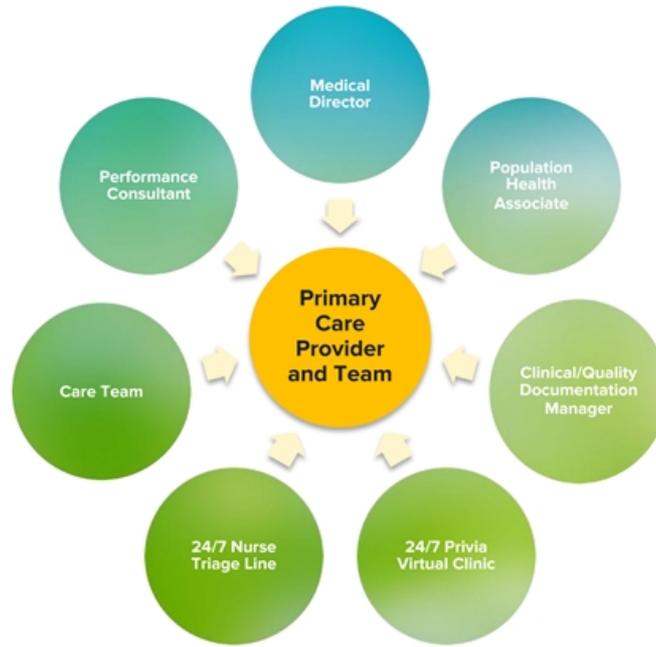
Current Market Presence¹

3,250+ Implemented Providers **95%** Avg. Provider Retention **3M+** Patients **760K** Attributed Lives **\$1.3B+** Practice Collections



7 States (Plus D.C.) **100+** Targeted MPSAs (30+ in top 100) **850+** Care Center Locations **85** Patient NPS **58** Provider NPS

Extensive Clinical Operations Team Supports Every Provider Partner To Succeed in Value-Based Programs



Deep Clinical Operations Capabilities Drive VBC Success

The Privia Platform provides a broad suite of clinical operations capabilities that have driven success across risk arrangements

Foundational Elements for Success

1

Practice Fundamentals

Stabilize the practice to create a successful base

- EHR & Patient Portal
- Revenue Cycle
- Payer Contracting
- Performance Mgmt
- Reporting

2

Enhanced Experience

Upgrade the patient experience

- Practice Websites
- Online Scheduling
- Virtual Visits
- Patient Outreach
- Satisfaction Surveys

3

Fundamentals of Value

Execute on fundamentals of value-based care

- Membership
- Quality
- Clinical Documentation
- POD Engagement
- Performance Reports

4

Comprehensive Care

Take greater responsibility for the totality of patient care

- Expanded Access
- Care Coordination
- Network Management
- Clinical Programs
- Social Determinants

5

Advanced Risk Model

Redesign practice to succeed in mature value models

- Capitation
- Risk Positioning
- Delegated Services
- Network Contracting
- Home Care

MSSP Results Demonstrate Success in Downside Risk

- **121,000+** Medicare beneficiaries across ACOs in 4 markets
- **97% or greater quality score** in all ACOs
- Mid-Atlantic ACO:
 - **69K lives in Enhanced Track with downside risk**
 - **Highest savings rate (9.4%)** of top 100 largest ACOs in the country

MSSP 2020 Performance ¹	vs. Median MSSP ACO	vs. Total FFS Medicare
Total annual average expenditures	↓ 15%	↓ 24%
Emergency room utilization	↓ 22%	↓ 30%
Hospital observation stays	↓ 22%	↓ 27%
Outpatient facility spend	↓ 22%	↓ 35%
Inpatient facility spend	↓ 20%	↓ 29%

67% of total MSSP lives in downside risk tracks at 9/30/21 versus 0% in 2019

Privia Care Partners

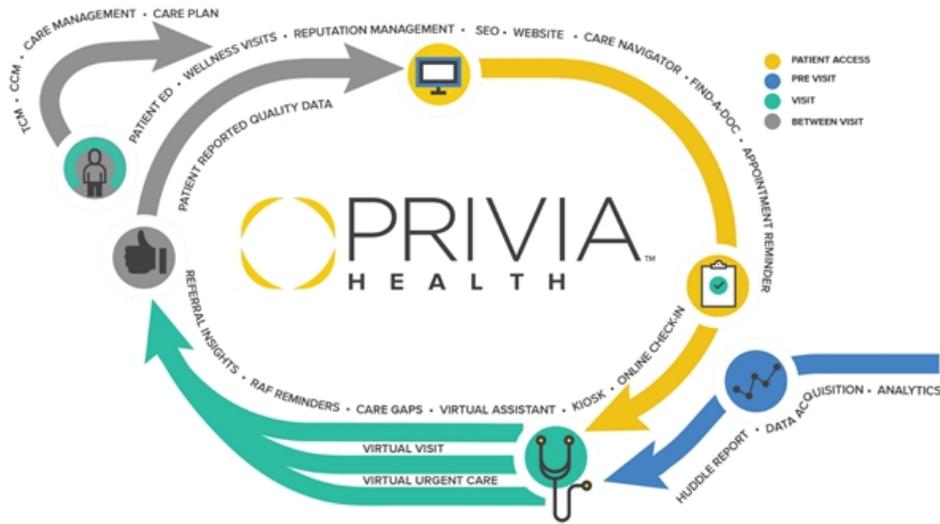
Launching 1/1/2022 with 25,000+ attributed lives in partnership with 300+ providers



- Broadens total addressable market and accelerates growth
- Exclusively focused across value-based programs (Commercial, MSSP and MA)
- Ability to remain on existing EHR
- Technology solution and clinical operations integration to perform in VBC arrangements
- Similar economic model to existing Privia value-based programs

	(Medical Group) (FFS & VBC)	(Care Partners) (VBC Only)
Health Systems/ Employed Providers	✓	✓
Independent Providers	✓	✓
CINs		✓
ACOs		✓
IPAs		✓

Proprietary, End-to-End Tech Solution Enables Providers to Practice More Efficiently and Focus on Patient Care



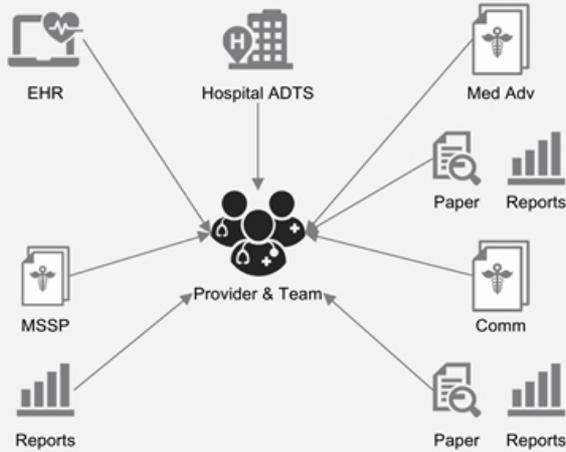
- Proprietary end-to-end, cloud-based technology solution enabling scalable operations across providers and multiple markets
- Enhances workflows in both fee-for-service and value-based care settings across the continuum of care in 200+ payer contracts
- Increases patient engagement across all stages, including pre-visit preparation, live / virtual visit, and post-visit follow up

We provide physicians with a comprehensive and differentiated technology solution that eliminates the need to buy and integrate more than 30 point solutions

The Privia Technology Solution Creates an Integrated Experience for Providers and Patients

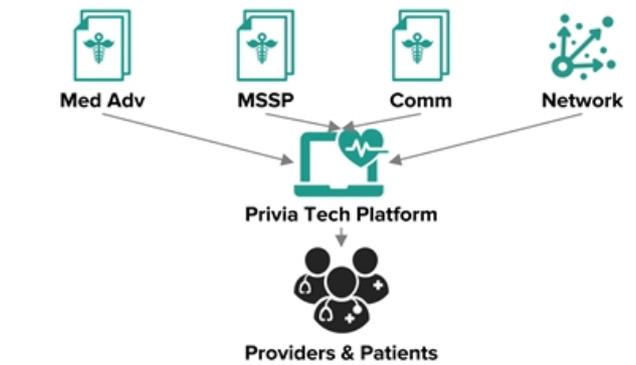
Old Way

Confusion and disorganization as a result of an onslaught of information from disparate sources



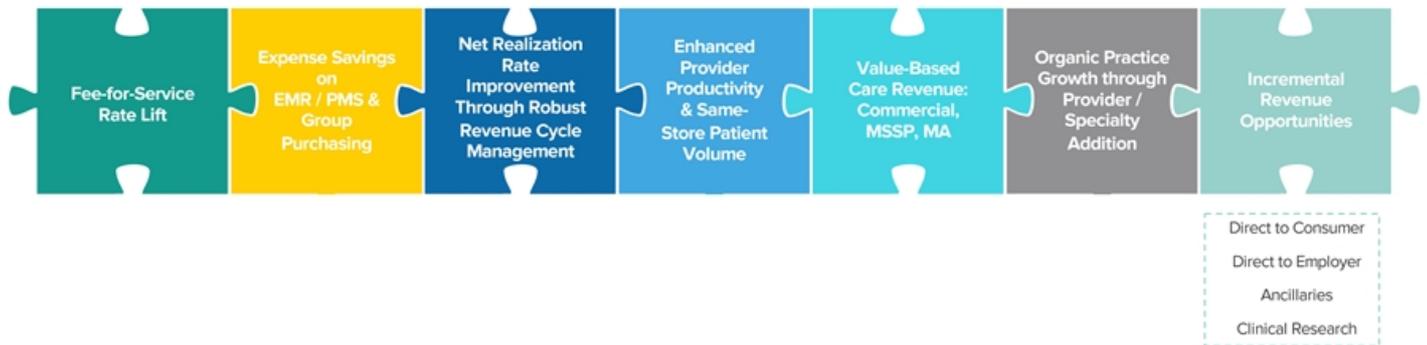
The Privia Way

Privia manages complexity to create a unified workflow and experience for providers, staff, and patients



The Privia solution acquires data from across the healthcare ecosystem for a single view of the patient

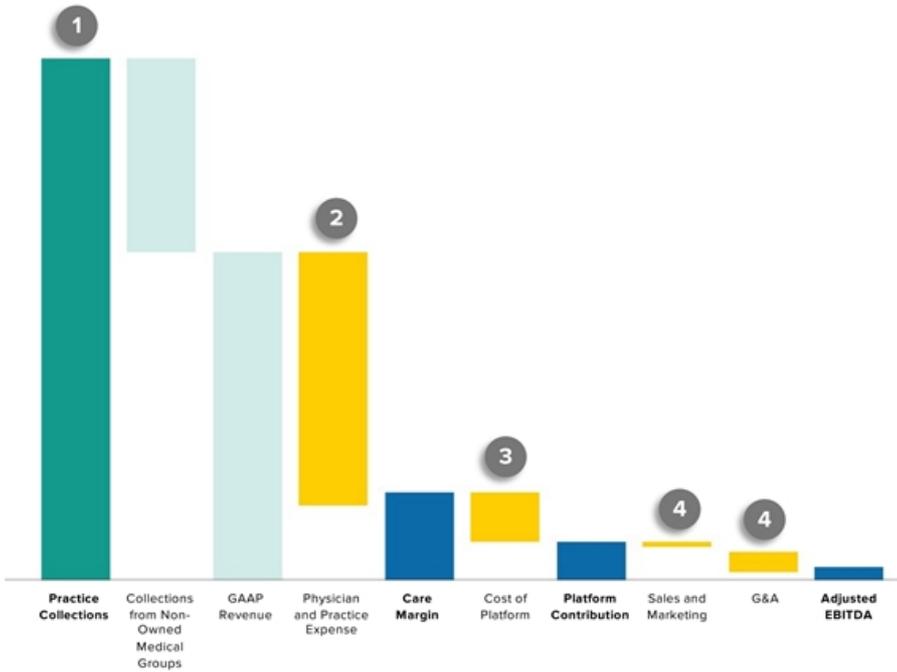
Delivering Demonstrable Value to Our Providers



Positioned to Monetize Our Platform and Drive Growth



Privia Health: Economic Model ¹



1 Practice Collections: FFS collections and VBC payments (care management PMPMs and shared savings) across all markets and all payer contracts

2 Physician and Practice Expense:

- a. Medical costs
- b. Physician and provider payments
- c. Provider share of surplus in VBC contracts
- d. Cost to build and operate care center locations

3 Cost of Platform: Privia direct operating costs to support all FFS and VBC operations

4 Sales and Marketing, G&A: Sales and marketing, technology platform development and corporate G&A costs



¹The chart above is for illustrative purposes only and does not reflect either historical or future financial performance.

3Q'21 Performance



	3Q'20	3Q'21	3Q'20	3Q'21
% Practice Collections	6.3%	7.7%	2.7%	3.5%
% Care Margin	46.0%	50.6%	19.5%	22.6%



¹ Solid bar represents government lives and shaded bar represents commercial lives. Note: Any slight variations in percentage calculations due to rounding. For reconciliations of Care Margin to Operating Income, Platform Contribution to Operating Income, and Adjusted EBITDA to Net Income, please see the Appendix.

YTD'21 Financial Performance

Practice Collections (\$mm)



Care Margin (\$mm)



Platform Contribution (\$mm)



Adjusted EBITDA (\$mm)

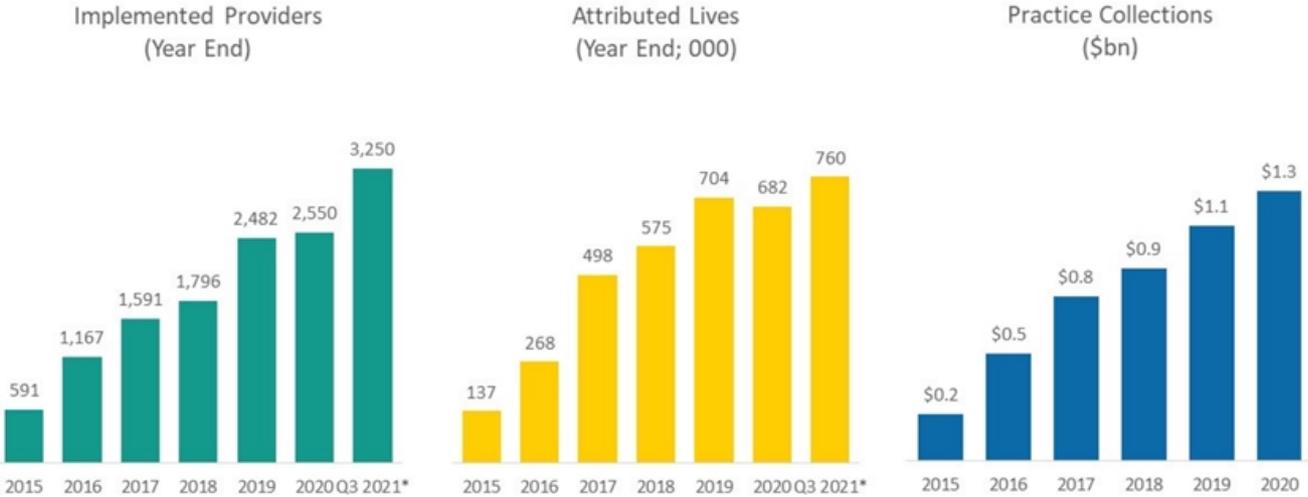


	YTD'20	YTD'21
% Practice Collections	6.2%	7.2%
% Care Margin	43.4%	47.0%

	YTD'20	YTD'21
% Practice Collections	2.4%	3.0%
% Care Margin	17.0%	19.9%

Note: Year-to-date results reflects Q1-Q3 2021 and Q1-Q3 2020, respectively. Any slight variations in percentage calculations due to rounding. For reconciliations of Care Margin to Operating Income, Platform Contribution to Operating Income, and Adjusted EBITDA to Net Income, please see the Appendix.

The Privia Platform is Scaling Rapidly



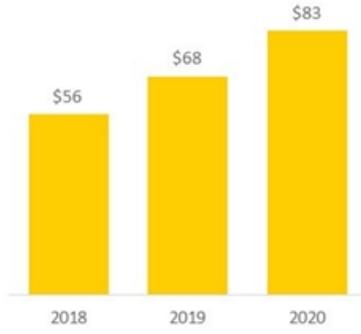
* Q3 2021 implemented provider count pro forma for entry into California and West Texas markets as disclosed on Form 424B4 filed with the SEC on November 22, 2021.

Improving Margins Over Time

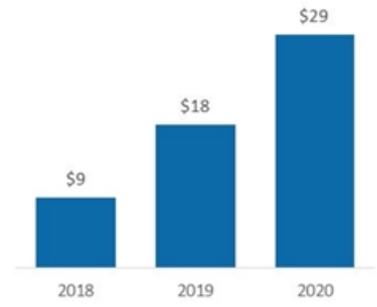
Care Margin (\$mm)



Platform Contribution (\$mm)



Adjusted EBITDA (\$mm)



% Practice Collections
% Care Margin

2018	2019	2020
6%	6%	6%
44%	42%	44%

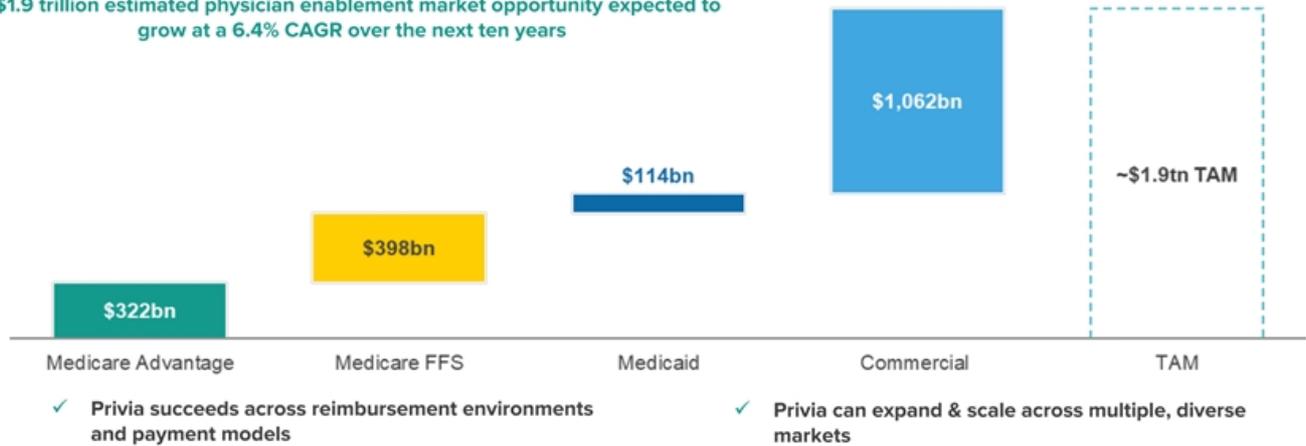
% Practice Collections
% Care Margin

2018	2019	2020
1%	2%	2%
7%	11%	16%

Significant Whitespace Exists Across Our End Markets

The Privia Solution Addresses a Large Market Ripe for Disruption With Significant Opportunity for Further Growth

~\$1.9 trillion estimated physician enablement market opportunity expected to grow at a 6.4% CAGR over the next ten years



Privia has 3,250+ implemented providers out of over 1 million total active providers in the U.S.



Source: Kaiser Family Foundation, Nephron Research. "The Dawn of Physician Enablement: Defining Healthcare in the 2020s." January 20, 2021. Statista.

Case Study: Driving Performance for Physician Group “A” Partnership¹

■ Physician group A joined Privia in 2014 with several objectives in mind:

- Increase participation and improve performance in value based care programs;
- Implement a new provider compensation model;
- Hire new providers to offset retirement and attrition;
- Expand specialty capabilities including sports medicine, allergy and urgent care; and
- Improve branding



Since 2014, Privia has helped to drive...

~90%

Increase in practice collections
(from \$5.8mm to \$11mm)

35%

Increase in provider base
(from 17 to 23 providers)

>50%

Increase in annual patient visit volume

~20%

Increase in per provider patient volume

22%

Improvement in days accounts receivable

0.8

Improvement in online reputation rating
(from 3.2 to 4.0 stars)

Reconciliation of Operating (Loss) Income to Care Margin¹

(unaudited; \$ in thousands)	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2021	2020	2021	2020
Operating (loss) income	\$ (12,809)	\$ 8,543	\$ (198,089)	\$ 21,218
Depreciation and amortization	466	457	1,351	1,389
General and administrative	33,910	9,788	216,563	29,196
Sales and marketing	4,588	2,709	18,950	7,381
Cost of platform	35,314	25,241	131,007	77,133
Care margin	<u>\$ 61,469</u>	<u>\$ 46,738</u>	<u>\$ 169,782</u>	<u>\$ 136,317</u>

(1) Care Margin is total revenue less the sum of physician and practice expense.

Reconciliation of Operating (Loss) Income to Platform Contribution²

(unaudited; \$ in thousands)	For the Three Months Ended September 30.		For the Nine Months Ended September 30.	
	2021	2020	2021	2020
Operating (loss) income	\$ (12,809)	\$ 8,543	\$ (198,089)	\$ 21,218
Depreciation and amortization	466	457	1,351	1,389
General and administrative	33,910	9,788	216,563	29,196
Sales and marketing	4,588	2,709	18,950	7,381
Stock-based compensation ⁽⁵⁾	4,947	—	40,987	—
Platform contribution	<u>\$ 31,102</u>	<u>\$ 21,497</u>	<u>\$ 79,762</u>	<u>\$ 59,184</u>

(2) Platform Contribution is total revenue less the sum of physician and practice expense and cost of platform.

(5) Amount represents stock-based compensation expense included under Cost of Platform..

Reconciliation of Net (Loss) Income to Adjusted EBITDA³

(unaudited; \$ in thousands)	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2021	2020	2021	2020
Net (loss) income	\$ (9,115)	\$ 16,685	\$ (176,251)	\$ 27,380
Net loss attributable to non-controlling interests	(1,776)	(85)	(2,509)	(255)
Benefit from income taxes	(2,210)	(8,561)	(20,214)	(7,387)
Interest expense	292	504	885	1,480
Depreciation and amortization	466	457	1,351	1,389
Stock-based compensation	25,800	121	228,461	363
Other expenses ⁽⁶⁾	410	10	2,128	232
Adjusted EBITDA	\$ 13,867	\$ 9,131	\$ 33,851	\$ 23,202

(3) Adjusted EBITDA is net income (loss) attributable to Privia Health Group, Inc. shareholders and subsidiaries excluding minority interests, provision (benefit) for income taxes, interest income, interest expense, depreciation and amortization, stock-based compensation, severance charges and other non-recurring expenses.

(6) Other expenses include certain non-cash or non-recurring costs.



Thank You

PriviaHealth.com

Contact:
Robert P. Borchert
SVP, Investor & Corporate Communications
robert.borchert@priviahealth.com
Phone: 817.783.4841

